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**OFFICE OF PUBLIC INSTRUCTION**

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**Linda McCulloch**  
Superintendent

DATE: May 21, 2007

TO: School Food Authority Administrators

FROM: Christine Emerson, Director, School Nutrition Programs

SUBJECT: Legislative Changes in the Nutrition Services Incentive

State or Area Agencies on Aging and Indian Tribal Organizations (collectively referred to as SAA) and their selected grantees (i.e., elderly nutrition projects) may use funds received in the Nutrition Services Incentive Program (NSIP) to pay School Food Authorities (SFAs) participating in the National School Lunch Program (NSLP), School Breakfast Program, or Special Milk Program (School Meals Program) to make food purchases, in the commercial market, on behalf of the SAA or selected grantee. Food purchases must be made in accordance with an agreement between the appropriate SAA or selected grantee and the SFA. An agreement may also permit reimbursement to the SFA for related expenses, such as transporting, distributing, processing, storing, or handling foods on behalf of the SAA or selected grantee. SFAs would follow established School Meals Program procurement requirements when making such purchases.

The agreements described above are voluntary. The Food and Nutrition Service (FNS) encourages SFAs to enter into such agreements. Agreements between grantees or subgrantees of federal grants for procurement or use of common goods and services are encouraged to promote economy or efficiency. Federal NSLP requirements permit SFAs to use facilities, equipment, and personnel to support elderly nutrition projects. SFAs are encouraged to assist interested SAA or their selected grantees in working out agreements for common food procurements.

If there are any questions, please contact School Nutrition Programs at (406) 444-2501.